

ADDED WCF VALUE



2012 ANNUAL REPORT

In 2012, we provided excellent, compassionate care to thousands of injured workers and returned many to full health and back to work. Our claims professionals, nurses and vocational rehabilitation counselors effectively handled over 18,000 new claims last year.

We have established several key business initiatives for 2013 that are focused on maximizing our company's value to our policyholders and their employees. This means keeping the cost of insurance low, keeping Utah workers safe and on the job, and providing outstanding service.

We appreciate your business and will work hard to keep your trust.

Remember, be careful out there.



Ray Pickup, *President & CEO*



Dallas H. Bradford, *Board Chair*



WCF ADDS

MAXIMIZE YOUR VALUE +

As an owner of Workers Compensation Fund, you are entitled to outstanding service. We are here to help keep your workers safe and on the job.

“Our goal is to maximize our company’s value to our policyholders and their employees. Our focus is to provide exceptional service and add value to the businesses we serve.”

Ray D. Pickup, WCF President & CEO



SAFETY CONSULTING

3,463

WCF safety consultations in 2012

114

WCF safety seminars held
throughout Utah in 2012

ULTRADENT

“WCF’s safety consulting services are an enormous benefit to Ultradent. WCF has provided assistance with program evaluation, regulation guidance, and safety improvements. Ultradent is currently working toward the ANSI Z10 certification. WCF conducted the baseline audit and will be supporting us toward this achievement. We appreciate our partnership with WCF.”

Melanie Bertolio
Ultradent
Safety Manager



A photograph of three people standing in a warehouse. On the left is a man with glasses and a beard, wearing a dark purple button-down shirt and dark pants. In the center is a woman with brown hair and bangs, wearing a red top and a dark cardigan, holding a clipboard. On the right is a man wearing a red polo shirt with a 'WCF' logo. They are all smiling. The background shows high industrial shelving units filled with cardboard boxes and a conveyor belt system in the foreground.

Dirk Davenport
Ultradent VP of
Human Resources

Will Craig
WCF Safety
Representative

**WCF's safety
consulting services
are an enormous
benefit to Ultradent.**

Melanie Bertolio
Ultradent Safety Manager



DIVIDENDS

\$351 million

Dividends to WCF policyholders
since 1992


10%

Net earned premium returned
in dividends since 1992

TOOELE CITY

“Tooele City has received a dividend for the past 15 years we’ve been insured with WCF. As a local government entity, our priority is to obtain quality coverage at competitive rates, and WCF’s dividend program is an important part of the equation when we evaluate insurance coverage. The dividend is just one of many programs at WCF that provides a direct value to our policy.”

Kami Perkins
Tooele City
Human Resource Director



Tooele City has
received a dividend
for the past 15 years
we've been insured
with WCF.

Kami Perkins
Tooele City Human Resource Director



LOCAL CLAIMS SERVICE

18,543

Number of claims filed in 2012

391,982


Medical payments made on behalf
of injured workers in 2012

GOSSNER FOODS

"WCF helps keep us on track with our claims and makes sure our injured employees get the care they need. I've worked with Vergae for more than three years, and she's been instrumental in helping us with our claims. While with WCF, we've cut our claims in half and significantly reduced our experience modification factor."

Ryan Udy
Gossner Foods
Safety Director



A woman and a man are standing in a large industrial food processing facility. They are both wearing white lab coats and hairnets. The woman on the left is holding a tablet. Both lab coats have a red patch with the Gossner logo. The background shows various pieces of industrial equipment and conveyor belts.

**While with WCF,
we've cut our
claims in half.**

Ryan Udy
Gossner Foods Safety Director

Vergae Oler
WCF Claims Adjuster



MANAGED CARE SAVINGS

\$7.6 million

Utilization review cost savings
in 2012

\$8.4 million

2012 preferred provider
network savings

WCF NURSES

“When an injured worker has a significant knee injury, WCF often gets a request from the treating physician to do an MRI to confirm the diagnosis. But an MRI can provide false positive or negative results and delay surgery and return to work. WCF’s policy is to speak with the orthopedic surgeon and offer an expedited approval if the doctor feels surgery is needed. This policy has resulted in more than \$150,000 in cost savings for knee MRI’s that are not medically necessary.”



**This policy has resulted in
over \$150,000 in cost savings
for knee MRI's that are not
medically necessary.**

WCF's Team of
Utilization Review Nurses



ONLINE TOOLS

14,704

Claims filed online in 2012

3,707

OSHA 300 logs completed
online in 2012

20,070

Invoices viewed online in 2012

DEER VALLEY

“We use a variety of WCF’s online tools to help us efficiently manage our policy. From filing a claim to making payments, WCF’s online services make my job easier. WCF’s online claims dashboard also helps us analyze trends to help prevent injuries in the future.”

Joe Lair
Deer Valley
Benefits Manager



From filing a
claim to making
payments,
WCF's online
services make
my job easier.

Joe Lair
Deer Valley Benefits Manager



POLICYHOLDER INPUT

45

Designated policyholders on a customer advisory council in 2012


300+

Number of action items completed

CATHOLIC DIOCESE OF SALT LAKE CITY

“One of our biggest mistakes was leaving WCF for one year. We didn’t get the feedback and involvement that WCF provides. It was a good lesson for us. I feel involved with WCF and feel that we have a great deal of input on what is going on with various programs and our policy.”

Michael Lee
Customer Advisory
Council Member

A man with dark hair, wearing a light blue button-down shirt and dark trousers, stands in the foreground of a church. He is smiling and has his right hand resting on a wooden pew. The church interior is visible in the background, featuring ornate stained glass windows, chandeliers, and a decorated altar area with red flowers and candles. The lighting is warm and focused on the man.

**One of our biggest
mistakes was leaving
WCF for one year.**

Michael Lee
Pastoral Operations for the
Catholic Diocese of Salt Lake City

**WCF
BOARD
MEMBERS**



Dallas H. Bradford
Board Chair



Kim K. Hood
Board Member



David S. Layton
Board Member



Heidi E.C. Leithead
Board Member



Roger A. Livingston
Board Vice Chair



Ray D. Pickup
Board Member



Lane A. Summerhays
Board Member

**WCF
CORPORATE
OFFICERS**



Ray D. Pickup
President,
Chief Executive Officer



Dan M. Hair
Senior Vice President,
Underwriting and Safety,
Chief Risk Officer



Peggy J. Larsen
Senior Vice President,
Chief Marketing Officer



Dennis V. Lloyd
Senior Vice President,
General Counsel



Kris R. McFarland
Vice President,
Human Resources and
Organizational Development



Debi A. Mofford
Senior Vice President,
Chief Information Officer



Charles E. Pugh
Senior Vice President,
Claims

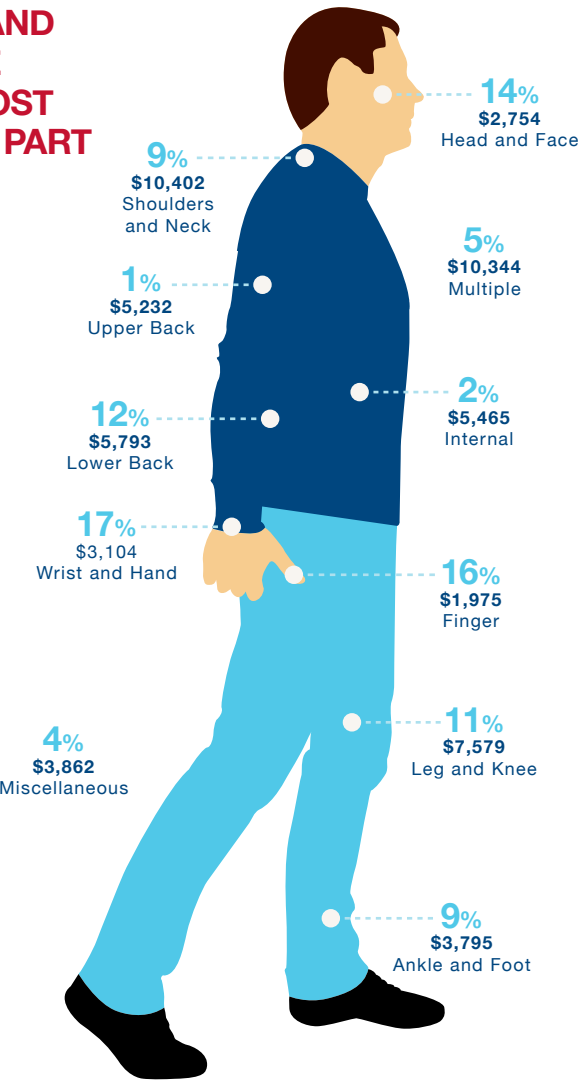


Robert H. Short
Executive Vice President

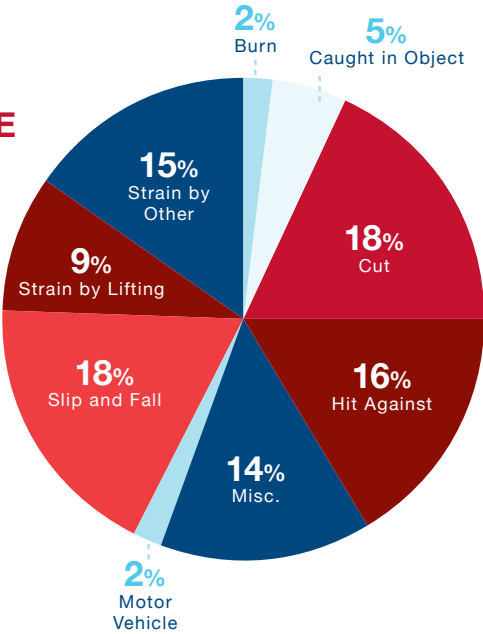


Scott E. Westra
Senior Vice President,
Chief Financial Officer

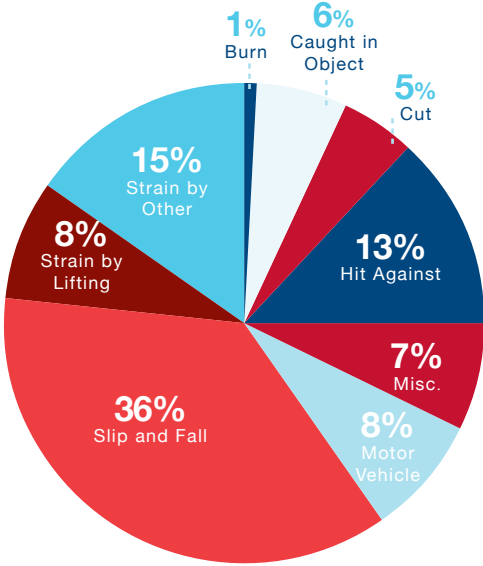
PERCENT OF
WCF'S TOTAL
CLAIMS AND
AVERAGE
CLAIM COST
BY BODY PART



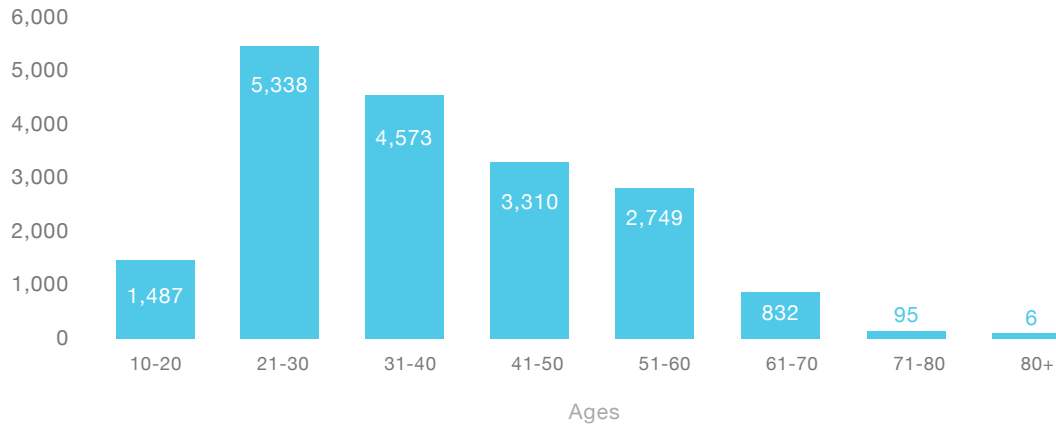
NUMBER OF
CLAIMS BY
ACCIDENT TYPE



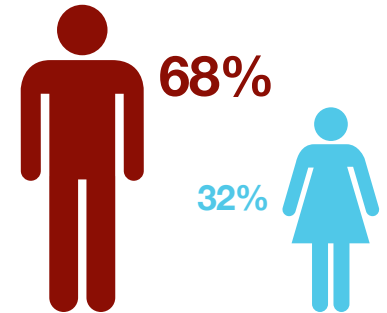
CLAIMS COST
INCURRED
BY ACCIDENT TYPE



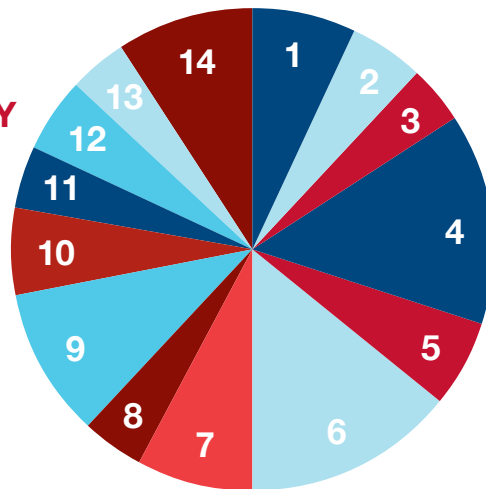
NUMBER OF CLAIMS BY AGE GROUP



NUMBER OF CLAIMS BY GENDER

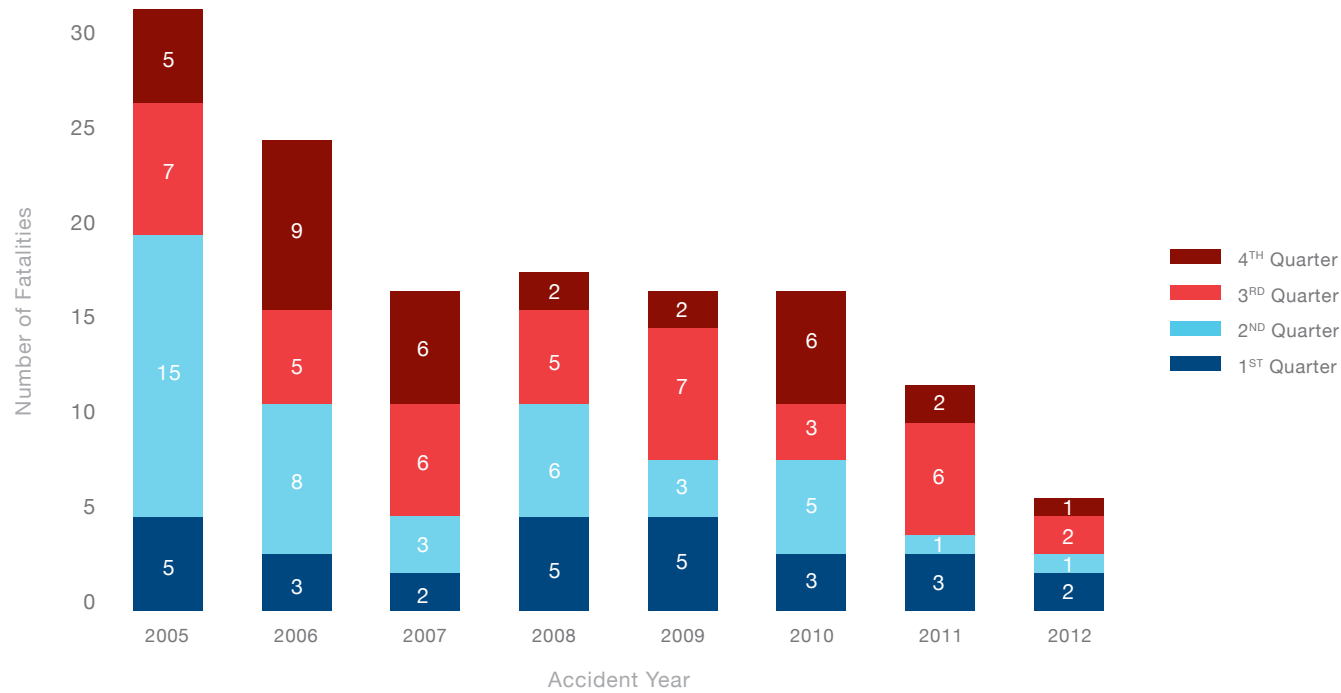


NUMBER OF CLAIMS INCURRED BY INDUSTRY

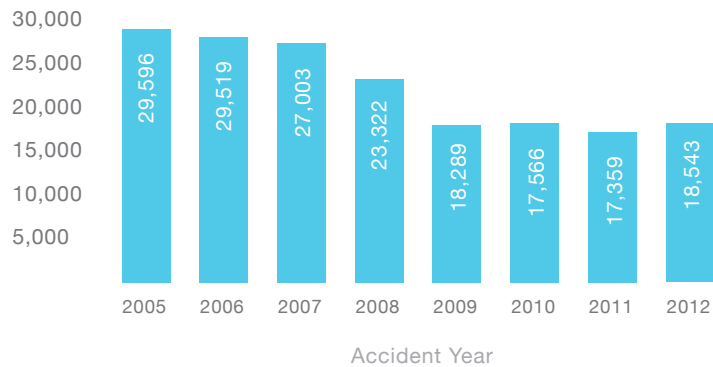


1. Accommodation & Food Service - 7%
2. Administrative and Support & Waste Management and Remediation - 5%
3. Arts, Entertainment and Recreation - 4%
4. Construction - 14%
5. Educational Services - 6%
6. Health Care & Social Assistance - 14%
7. Metal & Machinery Manufacturing - 8%
8. Professional, Scientific and Technical Services - 4%
9. Public Administration - 10%
10. Retail Trade - 6%
11. Transportation - 4%
12. Wholesale Trade - 5%
13. Wood, Plastics & Chemical Manufacturing - 4%
14. Miscellaneous - 9%

FATALITIES BY ACCIDENT YEAR



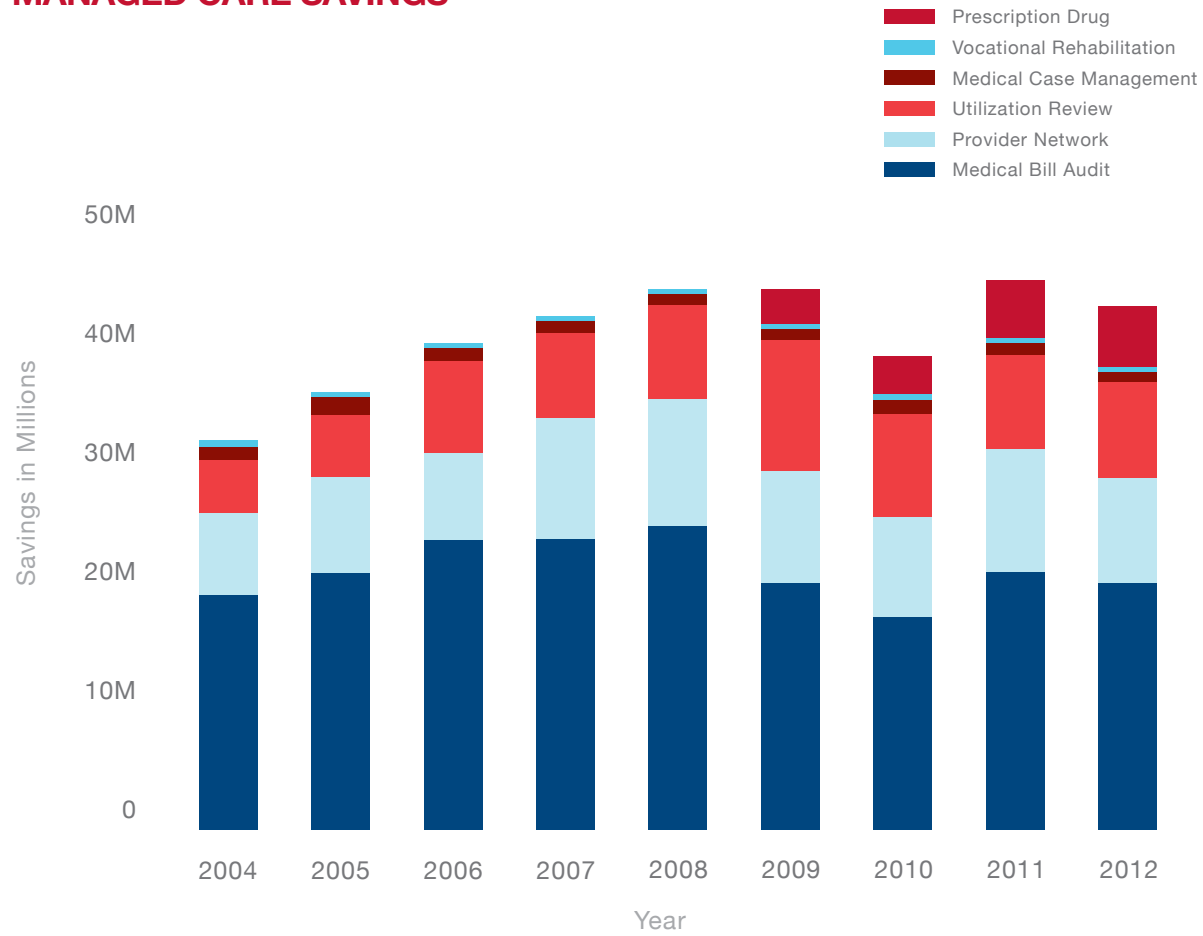
NUMBER OF CLAIMS



AVERAGE PREMIUM RATE PER MILLION DOLLARS OF PAYROLL



MANAGED CARE SAVINGS



10 STEPS TO CONTROL YOUR WORKERS COMPENSATION INSURANCE COSTS

1. **Involve top management in establishing a safety culture.**
 - Improves safety results and company culture.
2. **Investigate and report every accident.**
 - Look at accident site.
 - Determine why the accident occurred.
 - Secure evidence/obtain photographs.
 - Interview potential witnesses.
 - Do not pay out of pocket for minor injuries.
3. **Report claims immediately.**
 - Delayed reporting may increase costs.
 - Report online: www.wcfgroup.com.
 - Report by phone: 800.561.8008.
4. **Maintain contact with your injured employee.**
 - Helps eliminate concerns about returning to work.
 - Keeps communication lines open.
 - Keeps injured employee informed.
 - Decreases disability mentality.
5. **Establish relationship with physician or clinic – WCF recommends choosing a WorkMed, Intermountain Health Care InstaCare, or University of Utah Health Network Urgent Care Facility.**
 - Employer has first choice of physician.
 - Notify your employees in writing of your company physician or clinic.
 - Have physician visit your workplace.
6. **Implement a company accident policy.**
 - Supervisor should contact injured employee within 24 hours.
 - Maintain periodic contact.
 - Require employee to visit workplace periodically to discuss treatment, modified duty, etc.
7. **Provide modified duty as soon as possible.**
 - Helps manage medical costs.
 - Enhances morale.
 - Increases communication.
 - Decreases fraud.
8. **Work closely with your adjuster.**
 - Keep communication lines open.
 - Contact regularly.
 - Update regarding any changes.
9. **Implement a safety and drug testing program.**
 - Provide regular training.
 - Enforce safety rules.
 - Conduct drug testing often.
10. **Talk to WCF's premium auditors.**
 - Verify classifications.
 - Review payroll.

2013 SAFETY COURSE SCHEDULE

It can be difficult to stay current with updated safety training and regulations. WCF's seminars are a great way to polish, refresh and learn new safety skills. Seminars are free to WCF policyholders.

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|-----------|------|---------------|---|---------|
| MAY | 5/2 | 8:30 - 10:00 | Driver Safety & Awareness | Sandy |
| | 5/2 | 10:15 - 11:45 | * Back, Eye, and Hand Injury Prevention | Sandy |
| | 5/2 | 8:30 - 10:00 | * Identifying Workplace Hazards | Ephraim |
| | 5/2 | 10:15 - 11:45 | * Accident Prevention | Ephraim |
| | 5/9 | 8:30 - 10:00 | Confined Space Safety | Sandy |
| | 5/9 | 10:15 - 11:45 | Trenching & Excavation Safety | Sandy |
| | 5/15 | 8:30 - 12:00 | Strategies for Return to Work | Provo |
| | 5/16 | 8:30 - 10:00 | Strain & Sprain Injury: Prevention Techniques | Sandy |
| | 5/16 | 10:15 - 11:45 | Managing your Experience Modifier | Sandy |
| | 5/23 | 8:30 - 10:00 | Driver Safety & Awareness | Vernal |
| | 5/23 | 10:15 - 11:45 | Risk Management: Identifying, Assessing, & Reducing Risk | Vernal |
| | 5/29 | 8:30 - 5:00 | OSHA Construction Safety 10-hour (1st day) | Sandy |
| | 5/30 | 8:30 - 12:00 | OSHA Construction Safety 10-hour (2nd day) | Sandy |
| JUNE | 6/5 | 8:30 - 10:00 | * Accident Prevention | Provo |
| | 6/5 | 10:15 - 11:45 | Risk Management: Identifying, Assessing, & Reducing Risk | Provo |
| | 6/6 | 8:30 - 10:00 | * Controlling Workers Comp Costs | Sandy |
| | 6/6 | 10:15 - 11:45 | * Forklift Safety Train-the-Trainer | Sandy |
| | 6/13 | 8:30 - 10:00 | Ergonomics: Industrial Ergonomics | Sandy |
| | 6/13 | 10:15 - 11:45 | Emergency/Disaster Planning & Recovery | Sandy |
| AUGUST | 8/28 | 8:30 - 10:00 | Safety Resources on the Internet | Ogden |
| | 8/28 | 10:15 - 11:45 | OSHA Required Programs | Ogden |
| SEPTEMBER | 9/5 | 8:30 - noon | Best Practices in Safety: ANSI/AIHA Z10/2012 Standard (1/2 day) | Sandy |
| | 9/11 | 8:30 - 10:00 | * Ergonomics: Office Ergonomics & Safety | Provo |
| | 9/11 | 10:15 - 11:45 | Basics of OSHA & Workers Compensation Requirements | Provo |
| | 9/12 | 8:30 - 10:00 | * Back, Eye, and Hand Injury Prevention | Sandy |
| | 9/12 | 10:15 - 11:45 | * Identifying Workplace Hazards | Sandy |
| | 9/18 | 8:30 - 12:00 | Strategies for Return to Work | Logan |

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|-----------------|-------|---------------|--|------------|
| | 9/19 | 8:30 - 10:00 | Risk Management: Identifying, Assessing, & Reducing Risk | Sandy |
| | 9/19 | 10:15 - 11:45 | Safety Programs for Small Businesses | Sandy |
| | 9/19 | 8:30 - 10:00 | * Identifying Workplace Hazards | Price |
| | 9/19 | 10:15 - 11:45 | * Machine Guarding | Price |
| | 9/26 | 8:30 - 10:00 | UPDATE! Preventing Workplace Slips, Trips, and Falls | Sandy |
| | 9/26 | 10:15 - 11:45 | NEW! Protecting Eyes & Ears | Sandy |
| OCTOBER | 10/3 | 8:30 - 10:00 | Fraud Prevention: Protecting Legitimate Need | Sandy |
| | 10/3 | 10:15 - 11:45 | Managing your Experience Modifier | Sandy |
| | 10/10 | 8:30 - 10:00 | Bloodborne Pathogens: The OSHA Requirements | Sandy |
| | 10/10 | 10:15 - 11:45 | Strain & Sprain Injury: Prevention Techniques | Sandy |
| | 10/24 | 8:30 - 10:00 | * Forklift Safety Train-the-Trainer | Sandy |
| | 10/24 | 10:15 - 11:45 | * NEW! Global Harmonization: The New HAZCOM | Sandy |
| NOVEMBER | 11/6 | 8:30 - 12:00 | Strategies for Return to Work | Sandy |
| | 11/7 | 8:30 - 10:00 | Driver Safety & Awareness | Cedar City |
| | 11/7 | 10:15 - 11:45 | UPDATE! Preventing Workplace Slips, Trips, and Falls | Cedar City |
| | 11/8 | 8:30 - 10:00 | Driver Safety & Awareness | St. George |
| | 11/8 | 10:15 - 11:45 | UPDATE! Preventing Workplace Slips, Trips, and Falls | St. George |
| | 11/8 | 8:30 - 10:00 | NEW! Keeping the Aging Workforce Safe | Sandy |
| | 11/8 | 10:15 - 11:45 | * Incident Investigation | Sandy |
| | 11/13 | 8:30 - 10:00 | * Managing an Effective Safety Committee | Logan |
| | 11/13 | 10:15 - 11:45 | OSHA Required Programs | Logan |
| | 11/14 | 8:30 - 10:00 | * Respiratory Protection | Sandy |
| | 11/14 | 10:15 - 11:45 | * Violence in the Workplace | Sandy |
| | 11/20 | 8:30 - 5:00 | OSHA Construction Safety 10-hour (1st day) | Sandy |
| | 11/21 | 8:30 - 12:00 | OSHA Construction Safety 10-hour (2nd day) | Sandy |
| DECEMBER | 12/4 | 8:30 - 10:00 | NEW! Protecting Eyes & Ears | Ogden |
| | 12/4 | 10:15 - 11:45 | * UPDATE! Drug Free Workplace: Promoting a Drug Free Workplace | Ogden |
| | 12/5 | 8:30 - 12:00 | Scaffolding Safety (1/2 day) | Sandy |
| | 12/12 | 8:30 - 10:00 | UPDATE! Preventing Workplace Slips, Trips, and Falls | Sandy |
| | 12/12 | 10:15 - 12:00 | * OSHA 300 Log: Understanding the Requirements | Sandy |

* Available to view online

ONLINE REGISTRATION wcfgroup.com

PHONE REGISTRATION 385.351.8000 or 1.800.446.2667



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